

News story: Better value for money and fairer profits

This represents a 16% reduction in the rate applied to single source contracts and will ensure better value for money for taxpayers and give a fair return to industry. All savings will be reinvested into the defence budget, including delivering the equipment our Armed Forces need to keep the UK safe.

The unique nature of much of the MOD's work means the department often has to award contracts without competition, either because there is one specialised supplier or because the procurement must not risk national security. This lower profit rate will ensure the UK taxpayer gets the very best deal, regardless of the way contracts are delivered. The MOD is making sure big business does its part to support an efficient and economical defence budget.

Defence Secretary Michael Fallon said:

Taxpayers can be confident that this reduced profit rate will deliver better value for money on contracts as our defence budget rises and we deliver our £178bn equipment programme.

The defence sector is important for our prosperity, supporting high skilled jobs, and this rate provides a fair return comparable with that in other international markets.

A strong supplier base is essential to the security and prosperity of the UK. However, big businesses must do their part to deliver savings and balance the UK's budget. The new lower profit rate ensures that these businesses receive a fair return for the work they do, while freeing money for reinvestment in vital defence equipment, supporting jobs and innovation.

The figure of 7.46% is the starting point for calculating the profit on each contract before taking into accounts factors such as risk and the amount of their own money suppliers invest. The new rate is similar to profits earned by government defence suppliers in Western Europe and North America. It will come into effect from 1st April 2017.

The Single Source Contract Regulations were brought into force in 2014, following the Currie Review into single source procurement, to ensure that such contracts were charged at the best possible rate both for taxpayers and suppliers.

The Written Ministerial Statement on the new rate is available [here](#)

Notice: P03 5NX, C D Jordan & Son Limited: environmental permit issued

The Environment Agency publish permits that they issue under the Industrial Emissions Directive (IED).

This decision includes the permit and decision document for:

- Operator name: C D Jordan & Son Limited
- Installation name: European Metal Recycling, Dundas Spur
- Permit number: EPR/EP3292HT/V007

Notice: S045 3NX, Inutec Limited: environmental permit application advertisement

The Environment Agency consults the public on certain applications for Radioactive Substances Activity. The arrangements are explained in its [Public Participation Statement](#)

These notices explain:

- what the application is about
- which Environment Agency office you can visit to see the application documents on the public register
- when you need to comment by

The Environment Agency will decide:

- whether to grant or refuse the application
- what conditions to include in the permit (if granted)

No rise in National Insurance for the self employed

I am pleased the Chancellor has changed his mind on National Insurance. It is

true the previous Chancellor defined the Manifesto promise as relating to NI for just the employed when he legislated to implement the promise, but there was no such limitation in the Manifesto or in the election speeches and broadcasts to warn the self employed they were not covered. It is always a good idea to keep the spirit and the letter of promises made.

I did speak in favour of not taxing the self employed and small business more, and put in representations from constituents against the Budget proposal. Removing this tax increase removes £325 m extra tax from 2018-19, and around £600 m in each of the next two years. I see no need to replace this "lost" revenue, as I expect the economy to grow a little faster than the official forecasts, which will generate more extra revenue than this policy change. Fortunately the sums involved are small against a total revenue of around £800 bn annually in the relevant years, so this item is under 0.1% of the total.

[News story: NHS-funded nursing care rate for 2017 to 2018](#)

The reduction follows a [review of agency costs by Mazars LLP in 2017](#)

Registered nursing care for eligible nursing home residents is funded by the NHS, with the standard weekly rate per patient currently set at £156.25. This was a 40% increase on the 2015 to 2016 rate following an earlier review of the overall rate by Mazars in 2016.

In announcing the 40% increase last year, the government committed to further review the contribution of agency staff costs to the rate. In line with Mazars' latest evidence on agency costs, the government will now reduce the agency cost component of the rate by £3.29 to allow for lower agency costs. This reduction is partially offset by an uplift in the remainder of the rate by 1.7% to reflect overall nursing wage pressures.

These rates are based on the best evidence currently available to the Department of Health on the costs of providing nursing care in the sector.

The Department of Health plans to consult on the introduction of a regional rate of NHS-funded nursing care ahead of future rate change announcements.

Methodology

The headline agency cost reduction calculated by Mazars (on page 4 of their report) has been updated based on a 1% uplift. The Department of Health has decided that for the non-agency component of the rate, a 1.7% uplift for overall changes in staffing costs should be applied for a full year (this approach is based on recommendations from the Mazars 2016 review).

The Department of Health has therefore taken the agency rate on page 15 of the most recent Mazars report and applied a consistent 1.7% methodology for 6 months of the year. This is because the agency data runs to September 2016 (see page 35 of report). This ensures the uprate methodology for both the agency and non-agency component of the rate is on a consistent basis, and uprated to April 2017 for overall estimated changes in staffing costs.

The higher rate of NHS-funded nursing care will be reduced to £213.32 per week, the same percentage decrease as applied to the standard weekly rate (this is only relevant for those people who were already on the higher rate in 2007 when the single band was introduced).